

1 political subdivision of the state at the request of the subdivision, which affect the full and fair
2 utilization of community resources for programs for elderly persons, and initiate programs that
3 will help assure such utilization;

4 (14) To encourage the formation of councils on aging and to assist local communities in
5 the development of the councils;

6 (15) To promote, and coordinate day care facilities for the frail elderly who are in need
7 of supportive care and supervision during the daytime;

8 (16) To provide and coordinate the delivery of in-home services to the elderly, as defined
9 under the rules and regulations adopted by the department of elderly affairs;

10 (17) To advise and inform the public of the risks of accidental hypothermia;

11 (18) To establish a clearinghouse for information and education of the elderly citizens of
12 the state;

13 (19) To establish and operate in collaboration with community and aging service
14 agencies a statewide family-caregiver resource network to provide and coordinate family-
15 caregiver training and support services to include counseling and respite services;

16 ~~(20) To provide and coordinate the "elderly/disabled transportation" program including a~~
17 ~~passenger cost sharing program as defined and provided for under rules and regulations~~
18 ~~promulgated by the department; and~~

19 ~~(21)~~(20) To supervise the citizens' commission for the safety and care of the elderly
20 created pursuant to the provisions of chapter 1.4 of title 12.

21 (d) In order to assist in the discharge of the duties of the department, the director may
22 request from any agency of the state information pertinent to the affairs and problems of elderly
23 persons.

24 SECTION 12. Section 42-14.5-3 of the General Laws in Chapter 42-14.5 entitled "The
25 Rhode Island Health Care Reform Act of 2004 - Health Insurance Oversight" is hereby amended
26 to read as follows:

27 **42-14.5-3. Powers and duties. [Contingent effective date; see notes under section 42-**
28 **14.5-1.] --** The health insurance commissioner shall have the following powers and duties:

29 (a) To conduct ~~an annual~~ quarterly public ~~meeting or meetings~~ throughout the state,
30 separate and distinct from rate hearings pursuant to section 42-62-13, regarding the rates, services
31 and operations of insurers licensed to provide health insurance in the state the effects of such
32 rates, services and operations on consumers, medical care providers, ~~and~~ patients, and the market
33 environment in which such insurers operate and efforts to bring new health insurers into the
34 Rhode Island market. Notice of not less than ten (10) days of said hearing(s) shall go to the

1 general assembly, the governor, the Rhode Island Medical Society, the Hospital Association of
2 Rhode Island, the director of health, ~~and the attorney general~~ and the chambers of commerce.
3 Public notice shall be posted on the department's web site and given in the newspaper of general
4 circulation, and to any entity in writing requesting notice.

5 (b) To make recommendations to the governor and the ~~joint legislative committee on~~
6 ~~health care oversight~~ house of representatives and senate finance committees regarding health
7 care insurance and the regulations, rates, services, administrative expenses, reserve requirements,
8 and operations of insurers providing health insurance in the state, and to prepare or comment on,
9 ~~upon the request of the co chairs of the joint committee on health care oversight or upon the~~
10 request of the governor, or chairpersons of the house or senate finance committees, draft
11 legislation to improve the regulation of health insurance. In making such recommendations, the
12 commissioner shall recognize that it is the intent of the legislature that the maximum disclosure
13 be provided regarding the reasonableness of individual administrative expenditures as well as
14 total administrative costs. The commissioner shall also make recommendations on the levels of
15 reserves including consideration of: targeted reserve levels; trends in the increase or decrease of
16 reserve levels; and insurer plans for distributing excess reserves.

17 (c) To establish a consumer/business/labor/medical advisory council to obtain
18 information and present concerns of consumers, business and medical providers affected by
19 health insurance decisions. The council shall develop proposals to allow the market for small
20 business health insurance to be affordable and fairer. The council shall be involved in the
21 planning and conduct of the quarterly public meeting meetings in accordance with subsection (a)
22 above. The advisory council shall ~~assist in the design~~ develop measures to inform small
23 businesses of an insurance complaint process to ensure that small businesses that experience
24 ~~extraordinary~~ rate increases in a given year ~~could~~ may request and receive a formal review by the
25 department. The advisory council shall assess views of the health provider community relative to
26 insurance rates of reimbursement, billing and reimbursement procedures, and the insurers' role in
27 promoting efficient and high quality health care. The advisory council shall issue an annual report
28 of findings and recommendations to the governor and the ~~joint legislative committee on health~~
29 ~~care oversight~~ general assembly and present their findings at hearings before the house and senate
30 finance committees. The advisory council is to be diverse in interests and shall include
31 representatives of community consumer organizations; small businesses, other than those
32 involved in the sale of insurance products; and hospital, medical, and other health provider
33 organizations. Such representatives shall be nominated by their respective organizations. The
34 advisory council shall be co-chaired by the health insurance commissioner and a community

1 consumer organization or small business member to be elected by the full advisory council.

2 (d) To establish and provide guidance and assistance to a subcommittee ("The
3 Professional Provider-Health Plan Work Group") of the advisory council created pursuant to
4 subsection (c) above, composed of health care providers and Rhode Island licensed health plans.
5 This subcommittee shall ~~develop a plan to implement the following activities~~ include in its annual
6 report and presentation before the house and senate finance committees the following
7 information:

8 (i) ~~By January 1, 2006, a~~ A method whereby health plans shall disclose to contracted
9 providers the fee schedules used to provide payment to those providers for services rendered to
10 covered patients;

11 (ii) ~~By April 1, 2006, a~~ A standardized provider application and credentials verification
12 process, for the purpose of verifying professional qualifications of participating health care
13 providers;

14 (iii) ~~By September 1, 2006, a~~ The uniform health plan claim form ~~to be~~ utilized by
15 participating providers;

16 (iv) ~~By March 15, 2007, a report to the legislature on proposed methods~~ Methods for
17 health maintenance organizations as defined by section 27-41-1, and nonprofit hospital or
18 medical service corporations as defined by chapters 27-19 and 27-20, to make facility-specific
19 data and other medical service-specific data available in reasonably consistent formats to patients
20 regarding quality and costs. This information would help consumers make informed choices
21 regarding the facilities and/or clinicians or physician practices at which to seek care. Among the
22 items considered would be the unique health services and other public goods provided by
23 facilities and/or clinicians or physician practices in establishing the most appropriate cost
24 comparisons.

25 (v) ~~By December 1, 2006, All activities related to~~ contractual disclosure to participating
26 providers of the mechanisms for resolving health plan/provider disputes; and

27 (vi) ~~By February 1, 2007, a~~ The uniform process being utilized for confirming in real
28 time patient insurance enrollment status, benefits coverage, including co-pays and deductibles.

29 (vii) ~~By December 1, 2007, a report to the legislature on the temporary~~ Information
30 related to temporary credentialing of providers seeking to participate in the plan's network and the
31 impact of said activity on health plan accreditation;

32 (viii) ~~By February 1, 2008, a report to the legislature on the~~ The feasibility of ~~occasional~~
33 regular contract renegotiations between plans and the providers in their networks.

34 (ix) ~~By May 1, 2008, a report to the legislature~~ Efforts conducted related to reviewing

1 impact of silent PPOs on physician practices.

2 ~~A report on the work of the subcommittee shall be submitted by the health insurance~~
3 ~~commissioner to the joint legislative committee on health care oversight on March 1, 2006,~~
4 ~~March 1, 2007, and March 1, 2008.~~

5 (e) To enforce the provisions of Title 27 and Title 42 as set forth in section 42-14-5(d).

6 (f) ~~There is hereby established~~ To provide analysis of the Rhode Island Affordable
7 Health Plan Reinsurance Fund. The fund shall be used to effectuate the provisions of sections 27-
8 18.5-8 and 27-50-17.

9 (g) To ~~examine and study~~ analyze the impact of changing the rating guidelines and/or
10 merging the individual health insurance market as defined in chapter 27-18.5 and the small
11 employer health insurance market as defined in chapter 27-50 in accordance with the following:

12 (i) The ~~study~~ analysis shall forecast the likely rate increases required to effect the
13 changes recommended pursuant to the preceding subsection (g) in the direct pay market and small
14 employer health insurance market over the next five (5) years, based on the current rating
15 structure, and current products.

16 (ii) The ~~study~~ analysis shall include examining the impact of merging the individual and
17 small employer markets on premiums charged to individuals and small employer groups.

18 (iii) The ~~study~~ analysis shall include examining the impact on rates in each of the
19 individual and small employer health insurance markets and the number of insureds in the context
20 of possible changes to the rating guidelines used for small employer groups, including:
21 community rating principles; expanding small employer rate bonds beyond the current range;
22 increasing the employer group size in the small group market; and/or adding rating factors for
23 broker and/or tobacco use.

24 (iv) The ~~study~~ analysis shall include examining the adequacy of current statutory and
25 regulatory oversight of the rating process and factors employed by the participants in the
26 proposed new merged market.

27 (v) The ~~study~~ analysis shall include assessment of possible reinsurance mechanisms
28 and/or federal high-risk pool structures and funding to support the health insurance market in
29 Rhode Island by reducing the risk of adverse selection and the incremental insurance premiums
30 charged for this risk, and/or by making health insurance affordable for a selected at-risk
31 population.

32 (vi) The health insurance commissioner shall ~~establish~~ work with an insurance market
33 merger task force to assist with the ~~study~~ analysis. The task force shall be chaired by the health
34 insurance commissioner and shall include, but not be limited to, representatives of the general

1 assembly, the business community, small employer carriers as defined in section 27-50-3, carriers
2 offering coverage in the individual market in Rhode Island, health insurance brokers and
3 members of the general public.

4 (vii) For the purposes of conducting this ~~study~~ analysis, the commissioner may contract
5 with an outside organization with expertise in fiscal analysis of the private insurance market. In
6 conducting its study, the organization shall, to the extent possible, obtain and use actual health
7 plan data. Said data shall be subject to state and federal laws and regulations governing
8 confidentiality of health care and proprietary information.

9 (viii) The task force shall meet ~~no later than October 1, 2007 and the commissioner shall~~
10 ~~file a report with the speaker of the house of representatives and the president of the senate no~~
11 ~~later than January 1, 2008~~ as necessary and include their findings in the annual report and the
12 commissioner shall include the information in the annual presentation before the house and senate
13 finance committees.

14 SECTION 13. This article shall take effect upon passage.